

New ESG Horizons and the Journey of our Lifetime to Zero



August was an unusually busy month at BentallGreenOak's (BGO) downtown Toronto office as the firm prepared its first trial runs for the return to workplace protocols it had spent the better part of the year honing. As many employees eagerly returned to more familiar work settings, COVID was surprisingly not what was front and centre on their minds. A never-ending cycle of news stories on climate change, environmental distress, and social unrest over the past 18 months had stimulated significant cultural introspection at the firm, and a welcome wave of employee-led activist energy that staff were eager to put into practice in a live setting. And in perhaps the boldest step on ESG that the firm has taken in its 100+ year history, BGO announced its commitment to pursue Net Zero carbon emissions for the entirety of its global assets under management by 2050 or sooner. To better understand the drivers behind these firm-wide actions, three BGO leaders in Canada each shared their unique perspective and the urgency behind their intentions:



Paul Mouchakka

Managing Partner and
Head of BGO Canada

Our business ultimately succeeds on the strength of talent that we attract, retain, develop and elevate. The best young minds are asking us very pointed questions on how we are addressing ESG in all its aspects. They are telling us that they want to work for a firm where progress is part of the mission. In turn, we are enabling a culture that creates fertile space for new ideas and entrepreneurial thinking in sustainable investing to help us make better informed decisions for our clients.

We build, invest and manage in cosmopolitan centres across Canada where economic conditions and demographic characteristics bode well for the future. But the extent to which this success is shared across minority and underrepresented groups remains an uneven equation that we have to resolve in our lifetimes. If real estate investment managers are not reflecting the world we live in, then we are missing the full picture and with it a lost opportunity to tap into a diversity of thought and experience that make for better fiduciary decisions. BGO will not accept that predicament. The pledges we've made and the resulting actions we're taking for greater representation of ethnic minority groups – with particular attention to Black representation – at our firm, and gender parity at all levels, are clearly stated goals to which we will be holding ourselves accountable. As the leader of our firm in Canada, achieving our ESG objectives will be amongst my foremost priorities.

ESG is not a slide in a strategy deck or a line item on a To-Do list. If ESG objectives are treated as ancillary to the investment and real estate management approach, the outcome will fall short. Our sustainability mindset is intrinsic to our approach as a learning organization, and this is where BGO's abiding commitment to incremental improvements creates openings for step-change progress, and where tough challenges reveal silver-lining opportunities."



Christina Iacoucci

Managing Partner and Chief
Investment Officer, BGO Canada

For those of us who are old enough to remember the days of leaded gasoline and the optional use of seat belts and children's car seats in cars, we recall with almost incredulous fascination that these past practices and so many others were once deemed acceptable. Imagine, for one moment, the cascading effects that the elimination of these ill-informed practices had on the automotive industry and you begin to appreciate just what a massive change we are about to embark on with the introduction of far more stringent ESG standards in the built environment. And much like the example of the car from a bygone era, change is coming fast and it's a good thing.

This is where BGO draws on the strength of its foresight to take responsive action today to new standards, regulations and common expectations that are sure to come in the years ahead. Our anticipation of a Net Zero world with eliminated, displaced, or offset carbon, and a corporate environment where diversity, equity and inclusion will be requisites not aspirations, means our investor-clients must consider and prepare for that future too. Our tenants in the office and retail space also face mounting public and shareholder pressure to demonstrate leadership in both areas, where the failure to deliver progress often has costly and very public repercussions. This is where our fiduciary scope can extend beyond our investor and tenant clients and into the homes, hearts, and minds of the many extended constituencies that they serve. If institutional investors and business tenants measure their success on the quality of their relationships with customers, then the benefits of the action we take on ESG must extend to those same people in a tangible way. BGO's management of its physical spaces will become an expression of our allyship to all those who trust us to do the right thing."

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Chetan Baweja

Principal, Portfolio Management,
BGO Canada

In a unified and vertically-integrated setting where the distance between our investor-facing teams and our on-the-ground asset managers is never more than one degree, it's no wonder why BGO is consumed by the environmental performance of its assets. Our efforts to strip carbon, energy efficiency, water consumption, and landfill-bound waste out of our assets has been a 10 year-long commitment that has never rested on its laurels. For years before BGO set definitive targets, we've been running laps that progressively and incrementally push us closer to a Net Zero finish line. But it would be a mistake to consider this as an exclusively altruistic pursuit

We live and breathe in the built environment where resilience to volatile climate events, upward shifting sustainability demands from tenants, and risk mitigation against obsolescence are our every-day preoccupations. Investment value is directly tied to our ability to strategically prepare for and overcome these ESG factors so knowing how to identify and evaluate the risks and then act to effectively resolve them is a true differentiator. Getting to Net Zero is not just how we address the challenge of extracting massive proportions of CO2 emissions coming from buildings, it's how we turn this historic problem into a generational opportunity to be seized for the benefit of a wide ranging value chain of stakeholders and investors."